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COUNTRY COOPERATION FRAMEWORKS AND RELATED MATTERS

FIRST COOPERATION FRAMEWORK FOR TECHNICAL COOPERATION AMONG DEVELOPING COUNTRIES, 1997-1999

CONTENTS

		Paragraphs	Page
I.	INTRODUCTION	1	2
II.	THE GLOBAL DEVELOPMENT SITUATION AND ITS IMPLICATIONS FOR TCDC AS A STRATEGY IN SUPPORT OF SUSTAINABLE HUMAN DEVELOPMENT	2 - 6	2
III.	RESULTS AND LESSONS OF PAST COOPERATION	7 - 9	3
IV.	PROPOSED STRATEGY AND THEMATIC AREAS	10 - 27	3
	A. Poverty eradication	12 - 15	4
	B. Environment	16 - 19	4
	C. Production and employment	20 - 22	5
	D. Trade, investment and macroeconomic management	23 - 27	6
V.	MANAGEMENT ARRANGEMENTS	28 - 33	7
Annex.	Resource mobilization target		9

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I. INTRODUCTION

1. The present document describes the overall cooperation framework for technical cooperation among developing countries (TCDC) during the period 1997-1999 based on resources made available for this purpose by the Executive Board and also those likely to be available from other sources, including the Trust Fund for South-South Cooperation, established by the Administrator in accordance with the provisions of General Assembly resolution 50/119.

II. THE GLOBAL DEVELOPMENT SITUATION AND ITS IMPLICATIONS FOR TCDC AS A STRATEGY IN SUPPORT OF SUSTAINABLE HUMAN DEVELOPMENT

2. The profound changes that have occurred in the global economy since the late 1980s have had a significant impact on traditional multilateral development cooperation. They have also influenced the future prospects of TCDC as an instrument in support of sustainable human development.

3. The implementation of structural adjustment policies and programmes by the developing countries during the 1980s was based on the premise of increased reliance on the private sector and market forces, in contrast to the traditional emphasis on economic planning and the notion of a developmental state orchestrating widespread interventions in the development process. In some cases, that has produced improved macroeconomic stability and economic efficiency but it has failed to resolve a number of fundamental problems facing the developing countries, particularly the persistence of poverty and social deprivation.

4. The situation has been further complicated by the phenomena of globalization and economic liberalization, which have been accentuated by the conclusion of the Uruguay Round negotiations and the establishment of the World Trade Organization (WTO) as the institutional expression of the commitment to a liberalized global trading regime based on a number of binding rules.

5. It is noteworthy that, against this background, a number of developing countries have achieved significant levels of economic growth. This is particularly true in the newly industrializing economies of East Asia and in some countries of Latin America that are experiencing economic revival. The increasing differentiation among the developing countries thus provides a solid basis for the transfer of experience among them, particularly of new and innovative techniques and approaches to the organization of production. Examples include the flexible specialization and cross-functional management principles, which have enabled the newly industrialized economies of East Asia to increase productivity output and overall competitiveness in the global economy.

6. The need for continued solidarity and collective action on the part of the developing countries in seeking to shape the forces of globalization and economic liberalization, together with the prospect of increased technical exchanges and trade expansion among the developing countries, has led to an increased emphasis on TCDC, and South-South cooperation in general. This

strategic dimension of international development cooperation in support of sustainable human development (SHD) is exemplified by the adoption of General Assembly resolution 50/119 and the several ministerial declarations of the Group of 77 reiterating their commitment to the principle.

III. RESULTS AND LESSONS OF PAST COOPERATION

7. The fifth cycle (1992-1996) TCDC programme, funded mainly from Special Programme Resources (SPR) and entailing $13.25 million, focused on four broad areas of activities: (a) matching of needs and capacities and intercountry workshops in specific priority sectors - 48 per cent; (b) promotion of TCDC through information and sensitization - 33 per cent; (c) capacity enhancement for the application of TCDC - 11 per cent; and (d) support for TCDC modalities and activities through studies and evaluation - 8 per cent. The programme managed a total of 173 different interventions globally.

8. Significant support was provided to a variety of activities, including training workshops, colloquiums, policy forums and practical exchanges among developing countries that sought to address such issues as poverty, the environment, trade and investment, job creation, the transfer of technology, governance and gender. A number of specific interventions were also designed to increase awareness of TCDC and to strengthen the capacity of national, regional and interregional organizations in the promotion and management of TCDC activities. Special emphasis was, however, placed on capacity and needs matching exercises as an instrument for multiplying the number of exchanges among developing countries geared to targeted sectors and themes.

9. In terms of its overall impact, the programme contributed significantly to the elaboration of TCDC, both as a strategy and a modality in support of a number of practical exchanges among developing countries. It also served to strengthen national capacities for the management of TCDC, particularly through the creation of improved awareness among national focal points as well as within regional and interregional institutions active in the field of South-South cooperation. The mid-term external evaluation concluded that activities implemented under the programme had been essentially well planned and executed.

IV. PROPOSED STRATEGY AND THEMATIC AREAS

10. The strategy for TCDC during the period 1997-1999 is based primarily on the analysis and recommendations contained in the Report on New Directions for TCDC. The report set out a bold new vision for the promotion of TCDC in the context of the new circumstances and realities created by the fundamental changes that have occurred in the global environment in recent years. These changes will continue to exercise a profound influence on the economic fortunes of the developing countries at least until the end of the century.

11. The programme will focus on poverty eradication; environment; production and employment; and trade, investment and macroeconomic management. The nature of the interventions in these areas is detailed in the following sections of the document.

A. Poverty eradication

12. Poverty eradication has been identified as a central objective of contemporary development policy. The commitment of the international community to deal with the problem is underlined by the declaration of the First International Decade for the Eradication of Poverty (1997-2006) and the emphasis given to poverty eradication as part of a wider development strategy in the Programme of Action adopted by the World Summit on Social Development (WSSD). Poverty eradication is also the overriding priority for UNDP.

13. The TCDC strategy in this area is based on a two-pronged approach that will involve specific interventions at the grass-roots level, as well as more upstream interventions designed to address some of the structural underpinnings of poverty.

14. Within this framework, the Special Unit for RDC (SU/TCDC) will collaborate closely with the regional bureaux in supporting aspects of the implementation of the various subregional and regional poverty eradication programmes being undertaken by them. The entry point for TCDC interventions will centre on the documentation of effective poverty reduction strategies that can be replicated in other countries. These strategies will cover a variety of areas, including innovative income-generation and employment activities; access to credit; the provision of food and shelter; and the delivery of social services to the poor, such as health, education, water supply, sanitation and waste management. The TCDC programme will also serve as a catalyst in transmitting successful experiences in poverty eradication between the various regions.

15. The TCDC programme in the area of poverty eradication will also focus on the follow-up and implementation of agreements concluded under relevant capacities and needs matching exercises supported by SU/TCDC. This approach represents an attempt to implement the recommendations of the mid-term evaluation of the fifth cycle programme, which suggested that SU/TCDC should engage in longer-term interventions and follow-up in order to ensure the successful implementation of previously agreed commitments.

B. Environment

16. The environment provides a fertile area for the application of the TCDC modality. The TCDC programme in this area will pay special attention to two major global initiatives, namely, the implementation of the Programme of Action adopted at the Global Conference on the Sustainable Development of Small Island Developing States (SIDS), held in Barbados from 25 April to 6 May 1994, and for which SU/TCDC has been assigned the responsibility to coordinate the UNDP follow-up; and the follow-up to the Habitat II Conference, in respect of which SU/TCDC played an active role in supporting a number of preparatory activities.

17. In the case of SIDS, SU/TCDC will build upon the SIDS Technical Assistance Programme, which it has prepared as a basis for implementing the Barbados Programme of Action, by carrying out a comprehensive assessment of the priority technical cooperation needs under the 14 chapters of the Programme that could be implemented on a TCDC basis. The implementation of this programme will be

facilitated by the four-volume Directory of Experts and Institutions in the SIDS, compiled by SU/TCDC.

18. Support for the follow-up to HABITAT II will take the form of replicating, on a TCDC basis, the successful urban management experiences documented in the monograph on best urban management practices, which was prepared by SU/TCDC in conjunction with the Management Development and Governance Division of BPPS and the NGO Mega-cities Project Inc., and which served as the basis for a series of regional meetings of mayors and municipal authorities held in Accra, Amman, Bangkok, Quito and Kathmandu and for the Interregional Symposium of Mayors, held in Istanbul during HABITAT II. These exchanges are aimed at finding solutions to common problems and the elaboration of strategies for advancing the HABITAT II agenda in the various regions.

19. Specific assistance will also be provided in support of the establishment of regional biological defence networks in the Pacific (PACINET), Asia (ASEANET) and East Africa (EAFRINET) designed to document and exchange knowledge, experiences, policies and practices on bio-systematics, which is the proper identification and classification of micro-organisms, insects and nematodes in the respective regions. The establishment of these networks is designed to build capacity in the participating countries in the various regions to undertake bio-systematics on their own. The proper identification and classification of micro-organisms, insects and nematodes have important implications for the management of bio-diverse resources, agriculture and food production and is in accordance with the objectives of the Convention on Biological Diversity, the Convention on International Trade in Endangered Species of Wild Fauna and Flora and other relevant international conventions on the subject.

C. Production and employment

20. This area, which focuses largely on jobs and sustainable livelihood, is obviously of vital importance to the achievement of SHD since stimulating an expansion of output is critically linked to an increase in employment and income-generation. Recent studies have also indicated that joblessness is the surest road to poverty. Consequently, in addition to promoting specific interventions at the grass-roots level and working with non-governmental organizations (NGOs) and other civil society organizations (CSOs), the TCDC programme will also pay special attention to opportunities for transferring techniques aimed at stimulating increases in productivity output in the developing countries in order to enable them to compete effectively in the global economy.

21. A substantial number of TCDC interventions in this focus area will involve joint efforts with the regional bureaux, the Private Sector Development Programme (PSDP) of the Bureau for Programme and Policy Support (BPPS), the International Labour Organization and relevant intergovernmental organizations and NGOs. In keeping with this thrust, SU/TCDC, in collaboration with PSDS and the Latin American Economic System, will support a programme of exchanges among small and medium-size enterprises designed to identify successful strategies for optimizing the output of these enterprises within the framework of the various

economic integration arrangements in the region. SU/TCDC will work closely with the Regional Bureau for Africa (RBA) and the United Nations Development Fund for Women in the development of an African network on micro-credit, which is designed to provide assistance to women entrepreneurs to enable them to operate businesses and generate employment and income. Collaboration with RBA is also envisaged in the context of the United Nations System-wide Special Initiative for Africa in the implementation of a multisectoral TCDC network to promote the exchange of technical skills between countries in Asia and Africa in support of improved efficiency in production and output.

22. In the case of Africa, special assistance will also be provided to facilitate the exchange and application of research results on new genetic strains of disease-resistant rice developed by the West African Rice Development Association, which is critical to increased agricultural output and food security in parts of Africa. The potential also exists to transfer this technology to Asian countries that are also dependent on rice production.

D. Trade, investment and macroeconomic management

23. The structure of trade and investment represents a critical dimension of the overall development equation in the developing countries since the terms of trade and the level of investment exercise an important influence in determining the nature of their participation in the global economy. Similarly, effective macroeconomic management constitutes an essential element in promoting overall economic stability and in creating the conditions for SHD and economic growth.

24. The TCDC programme will therefore support the efforts of the developing countries in adapting to the newly emerging global economy and in responding to the challenges faced by the increasing shift towards the creation of a liberalized global trading regime and the establishment of WTO.

25. A major initiative supported by the TCDC programme is the Group of 77-sponsored South-South Conference on Trade, Finance and Investment to be held in Costa Rica from 13 to 15 January 1997. The Unit intends to provide further support for the follow-up to the Conference, which is expected to formulate a comprehensive programme of action for cooperation in these areas that will involve both the government and the private sector. This initiative provides an important opportunity to forge a closer operational integration between TCDC and Economic Cooperation among Developing Countries (ECDC), as was recommended in the mid-term evaluation report of the fifth cycle programme and as is envisaged in the New Directions proposals.

26. In the area of macroeconomic management, a large number of developing countries have implemented comprehensive structural adjustment programmes during the past decade that have involved the articulation of overall macroeconomic policy, privatization and the adoption of market mechanisms. Although the experience with such programmes has varied among countries, there is a sufficiently developed body of experience with structural adjustment processes that can be shared among the developing countries. Issues such as the sequencing and timing of adjustment measures, interest rate policy, the control of inflation, the reduction of public sector deficits and the integration of

financial and industrial policy, not to mention the nature of the relationship between adjustment and poverty eradication, have proved extremely complex and challenging and therefore invite cross-country comparison and analysis.

27. The initiatives described above will be linked to related activities supported by the regional bureaux in order to optimize the use of resources in support of these objectives.

V. MANAGEMENT ARRANGEMENTS

A. Programme/project approval process

28. The first cooperation framework for TCDC will be managed by SU/TCDC on the basis of the strategies, principles, criteria, instrumentalities and the agreed areas of focus discussed in the preceding sections of the present document. This responsibility will be carried out in close collaboration with appropriate national, subregional, regional and interregional agencies, UNDP country offices, the regional bureaux, BPPS, other United Nations organizations and agencies and, as appropriate, in consultation with NGOs and other CSOs. An internal SU/TCDC Project Appraisal Committee (PAC), comprising staff from the Unit, UNDP bureaux and units and, as appropriate, outside participants, will make recommendations to the Director of SU/TCDC concerning proposals submitted for consideration.

B. Resource mobilization

29. In keeping with decision 95/23, in which the Executive Board decided to allocate .05 per cent of overall programme resources for TCDC, the actual resources likely to be available for this purpose is estimated at $15 million.

30. In addition, as is indicated in the resource mobilization target table (see annex), supplementary resources will be mobilized under the Trust Fund on South-South Cooperation, established in response to General Assembly resolution 50/119, which is expected to yield an additional $10 million. Further resources will be sought on an ad hoc basis for specific TCDC initiatives.

C. Execution arrangements

31. The United Nations Office for Project Services has played a predominant role in the execution of TCDC projects funded from SPR allocated during the fifth cycle programme. Given the wide range of TCDC activities, this execution modality had the advantage of facilitating accounting and allowed for a timely and accurate rendering of expenditure. However, a special effort will be made under the new programme to assign execution responsibility to national entities as well as recognized subregional, regional and interregional organizations representing the developing countries in order to ensure that ownership and responsibility are vested in the developing countries for the management of TCDC programmes.

D. Monitoring, review and reporting

32. Individual proposals submitted for funding will be required to establish both qualitative and quantitative benchmarks in order to facilitate monitoring, review and evaluation in terms of actual outputs. The SU/TCDC proposal format will be modified accordingly to ensure that such criteria are reviewed at the design stage of the proposal.

33. The overall TCDC programme will be subject to a mid-term review that will also seek to determine achievements in terms of concrete results measured against stated strategies and objectives.

Annex

RESOURCE MOBILIZATION TARGET TABLE FOR TCDC, 1997-1999

(In thousands of United States dollars)

RESOURCE	AMOUNT	COMMENTS
UNDP CORE RESOURCES		
SPR carry-over from fifth cycle	1 000	
Line 1.5 TCDC	15 000	
Subtotal core resources	16 000	
NON-CORE RESOURCES		
South-South Cooperation Trust Fund	10 000	Established in accordance with General Assembly resolution 50/119
Subtotal non-core resources	10 000	
TOTAL	26 000	